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September 13, 2004

Mary L. Cottrell, Secretary
Department of Telecommunications and Energy
One South Station, 2nd Floor
Boston, Massachusetts 02110

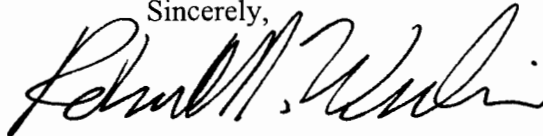
Re: D.T.E. 04-82 — Standard Offer Service Fuel Adjustment – Boston Edison
Company, d/b/a NSTAR Electric

Dear Secretary Cottrell:

Enclosed for filing in the above-referenced matter is the response of NSTAR Electric to the Information Request set forth on the accompanying list.

Thank you for your attention to this matter.

Sincerely,



Robert N. Werlin

Enclosures

cc: Jeanne Voveris, Senior Counsel
Ronald LeComte, Director, Electric Power Division
Kevin Brannelly, Director, Rates and Revenue Requirements Division
Sean Hanley, Assistant Director
Barry Perlmutter, Analyst
Joseph Rogers, Assistant Attorney General

Responses to Information Requests

Information Request DTE-2-1

Information Request DTE-2-1

Refer to Exhibit 2, at 7. Please provide a complete description of how the “Annual Market Value” dollar figures were calculated for the year 2005 and the subsequent years included in the table. Identify all assumption used in calculating these figures, and provide supporting documentation as appropriate.

Response

The “Annual Market Value” dollar figures for 2005 and subsequent years are based on the latest available forecasts of market prices of electricity (multiplied by the forecasted Boston Edison purchases from the generating facilities). The “Annual Market Value” amounts are included in NSTAR Electric’s filings relating to its divestiture of power purchase agreements (“PPAs”). D.T.E. 04-60, D.T.E. 04-61, D.T.E. 04-68 and D.T.E. 04-85. The dollar figures on Exhibit 2, at 7, are exactly the same as the “base case” (i.e., pre-PPA buyout/restructuring) numbers for Boston Edison in D.T.E. 04-68, Exhibit NSTAR-BEC-GOL-3 [**CONFIDENTIAL**], at 7. See also D.T.E. 04-68, Exhibit NSTAR-RBH-6 [**CONFIDENTIAL**]; and D.T.E. 04-60, Exhibit AG-1-2 [**CONFIDENTIAL**] for supporting documentation for the market-price forecasts. The forecasts of market prices were produced by NSTAR Electric’s independent advisor on the divestiture process, Concentric Energy Advisors, Inc., which in turn were based on data obtained from Henwood Energy Service Inc. (the “Henwood Forecast”).

The Henwood Forecast and NSTAR Electric methodology for projecting customer savings use the market value of PPAs as the basis for projections that support the divestiture of PPAs. The Department has completed its investigation of the first set of PPA divestitures and stated that “the evidence provided by the [NSTAR Electric] was subject to extensive discovery and cross-examination [in the D.T.E. 04-60 proceeding].” D.T.E. 04-60, at 25 (2004). In its final decision issued last week, the Department found that the:

...calculations of customer savings are based on the Henwood [F]orecast, which forecasts the future market price of electricity. The Henwood [F]orecast is a widely-available and reasonable proxy for a forecast of the price of electricity.... After reviewing the Companies' economic analysis, the Department finds NSTAR Electric's claims of savings to be robust and credible under a wide range of assumptions....

D.T.E. 04-60, at 26.